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TOM LYTHGOE, CHAIR

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KEN WEBER

**PROCEEDING OF THE BOARD OF COMMISSIONERS
COUNTY OF JEFFERSON, STATE OF MONTANA
December 12, 2006**

Present: Commissioners Lythgoe, Notbohm and Weber; Joe Carter, Road/Solid Waste Supervisor; Carl Purdy, IT Manager; Harold Stepper and Mike Hoffman, County Planners; David Nielsen, City of Helena; Jan Anderson, *Boulder Monitor/Jefferson County Courier*; Marga Lincoln, *Helena Independent Record*; Celia Wolny, Bob Sims, Wally Hustad, Tara Mastel, Tom Harrington, Robert Klein, Sabrina Steketee, Mike Molitor, Michelle LeTexier, Alan Erickson, Ernie Kenison

REPORTS

Receipt of November expense and revenue reports from the Clerk and Recorder.

CALENDAR REVIEW

12/14 CTAC - Whitehall - 8:00
Tri-Co Fire - Helena - 9:00
Elkhorn Working Group - 3:00
Zoning Commission - 4:00
Library Board - 6:30
Montana City School Board - 7:00
Museum Board - 7:00
Solid Waste Board - 7:00
12/15 RMDC conference call - 9:00

COMMISSION REPORTS

Commissioner Notbohm stated that Dennis Lay called just before the meeting regarding his subdivision. He has a concern with what is being asked by the Jefferson City Fire Department, and he wants the Commission to come look at his site. Commissioner Notbohm stated that he told Dennis that he didn't think that they would be able to do this. Commissioner Lythgoe agreed that they can't, as it would be ex-parte. Commissioner Notbohm stated that this is what he told Dennis, who said that he didn't want the Commissioners to do anything that they aren't supposed to.

ELECTED OFFICIAL/DEPARTMENT HEAD CONCERNS

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Joe Carter, Road Supervisor, stated that he wants to purchase a stockpile of gravel from Gilman in Whitehall. He stated that he can get 10,700 cubic yards of gravel for \$42,800; this would be a good deal for the county. Commissioner Lythgoe asked if all or a portion of the money is in the road budget. Joe stated that over half is in the budget and he has an agreement with Gilman to pay for the gravel over two fiscal years. Commissioner Lythgoe asked if other materials need to be purchased out of this line item. Joe stated no, they have all the materials that they need. Commissioner Lythgoe stated that this is a management decision, and Joe can go ahead with the purchase.

SUBDIVISION REVIEW

FINAL PLAT APPROVAL - INTERMOUNTAIN WEST ENERGY MINOR SUBDIVISION

Mike Hoffman, County Planner, presented his staff report and recommended that final plat approval be granted. Commissioner Weber questioned the angle of approach into the subdivision, and asked Mike why he feels there are no safety issues as big trucks will be entering and exiting. Mike stated that there is great sight distance with no hills or trees etc.

Commissioner Weber asked Joe Carter, the road supervisor, if he is comfortable with this. Joe stated that when he looked at it, he did feel that it was quite an angle. Coming out, the driver will need to look back over their right shoulder. This road is a straight shot, but with growth in the area there will be increased traffic and speed. He would like to see a 90 degree angle and their gate moved back a bit.

Commissioner Lythgoe asked if there is reason why the approach is angled onto Sheep Camp this way; was it an existing approach. Mike stated that this is correct. Commissioner Lythgoe stated that the developer received preliminary plat approval with the approach the way it is and asked the developer if they would have a problem with straightening out the approach. The developer stated that this would not be a problem. Commissioner Lythgoe told the developer that they are not obligated to do this, but the county would be very appreciative if they would do so.

Commissioner Weber moved to grant final plat approval to the Intermountain West Energy minor subdivision. Commissioner Notbohm seconded. The motion carried.

ITEMS FOR COMMISSIONERS ACTION OR REVIEW

DISCUSS AND DECIDE ON UPGRADE TO COUNTY PHONE SYSTEM

Carl Purdy, IT Manager, presented a proposal to upgrade the phone system in the county. Carl stated that when he first started with the County, we had a system that the County paid \$90,000 for. It got to the point where he was unable to upgrade that system so he went out to bid for a new system. He was able to purchase a new system for \$30,000. It is now time to upgrade again, and he has a bid for \$9,887. This new system has many more ports than the current system which is now maxed out. The Central Shop has been complaining about their phone bills

which currently run about \$500 per month. With this system we will be able to add the Central Shop for \$300 a month, after the \$4000 installation charge. The Health Department is also interested and would also have a \$4000 installation charge. Carl stated that there is also the potential to run the network through this. Commissioner Weber asked about the maintenance agreement, and asked if Carl would recommend a one-year or a five-year contract. Carl stated if they can go to a longer contract, it could lower the charges to each department for their phone line. Commissioner Lythgoe noted that they can't obligate money for the health department, but they can make a decision for the central shop.

Commissioner Weber moved to authorize the phone upgrade as presented to be paid out of PILT. Commissioner Lythgoe seconded. The motion carried.

JLDC UPDATE

Tara Mastel, Jefferson Economic Development Extension Agent, came before the Commission to give an update of what the JLDC has been doing in the past months.

At the South campus, they are looking at doing some landscaping. There's been no activity on the subdivision.

They have met with the architect and engineer regarding the Golden Sunlight Business Park. They also had a meeting that morning with Tim Dimmick, and they are very close to having the lease finalized. There is a small item with the insurance but they are moving forward and hope to sign the lease in January. They do need to have an appraisal done also.

The Golden Sunlight Mine has initiated a safety event in Whitehall and is working with the CTAC group to implement this.

Tara stated that the human services organization had a meeting the previous day. This group is made up of people from AYA, MDC, Center for Mental Health, the schools, etc.. At the meeting they heard about the new facility at MDC which will house 12 clients in three buildings.

The Boulder Housing Task Force met on November 30. Barbara Miller has a buy-sell for some land in Boulder, and they could break ground this spring on the first single-family housing. The Task Force is doing a housing survey, and is looking for applicants for housing families. They're also working on a resolution for the City and County to adopt to recognize their organization. She spoke with Jeff Miller at RMDC regarding a planning grant and he will be sending an application. She has also met with Larry Gallagher of HUD regarding housing and gotten some very good information.

Tara then spoke about the Horizons Program. This is an 18-month program with funding through MSU. Boulder and Whitehall are blowing everyone away with their attendance. They also recently attended facilitator training.

The Small Business Development group has been meeting with several businesses throughout the county.

Based on her last presentation to the Commission, there was a large outcry from the public regarding the JLDC's programs. Because of this, she is developing a communication program.

Commissioner Notbohm asked about insurance for the industrial park in Whitehall. Tara stated that the requirements that Barrick is asking for are well beyond industry requirements; they are currently in negotiations about this. Commissioner Notbohm asked if the individual businesses will be required to have their own insurance. Tara stated that they will. Commissioner Notbohm asked if the lease will be in the JLDC's name. Tara answered that this is correct; because it is within the mine boundary, they cannot sell or gift the property. Any improvements will be taxable and improve the tax base.

DISCUSSION OF BOULDER ELEMENTARY SCHOOL TO THE METAL MINES LICENSE TAX DISTRIBUTION and DISCUSS DISTRIBUTION OF SCHOOL PORTION OF METAL MINES TRUST FUND MONIES

Commissioner Lythgoe stated that the Commission has received a letter from representatives of Clancy, Basin, Boulder Elementary Schools and Jefferson High School. Commissioner Weber read the letter (on file in the Clerk and Recorder's office). Commissioner Lythgoe noted that the letter really doesn't address the license tax, and asked if the committee discussed this. Bob Klein that they did not, other than the initial request.

Commissioner Lythgoe asked if they are asking for an even split between the elementary schools. Sabrina stated that a decision is made with each disbursement. They are asking that the County request the mine track enrollment of the their employees' children. She noted that she has looked at the resolutions of distribution for the last 15 years, and each got one third of the monies - the high school, elementary school, and economic development. Commissioner Lythgoe noted that the high school will still get their one third of the monies, and the elementary one third will be divided between however many elementary schools are included. He asked if Basin is asking to be included also. Michele LeTexier stated that they would like to be included, but they would also like to be fair.

Commissioner Notbohm stated that, under the circumstances, he feels it would be better to put the license tax decision off until a later time. He noted that the schools have requested \$1.42 million, and stated that he thought the school portion was \$880,000. He questioned if the schools are asking for a part of the county share of the money. His recommendation is that 15% go to Basin Elementary, 25% to Boulder Elementary, 30% the Clancy Elementary, and 30% to Jefferson High School of the \$880,000. With what the County is facing on a variety of issues, they need to be protective of their portion of the money.

Commissioner Weber said that he had a question; it is his understanding that the yearly distribution needs to be done within 60 days. Commissioner Lythgoe stated that this is correct. They also need to make a decision on the trust funds before the end of the year and decide from what date to set the dollar amount.

Mike Molitor stated that he doesn't understand the percentages of Commissioner Notbohm's

split. Commissioner Notbohm stated that it is partly his own feelings on this. It is a fair split in his mind, and is true to the reasoning behind the request from Basin Elementary.

Commission Lythgoe stated that he is assuming that the amounts the committee came up with are based on existing figures. Mike stated that the high school and Clancy are expecting those amounts. Commissioner Lythgoe asked if the recommendation is based on anything other than that. Sabrina stated that they looked at this many different ways. Budgeting and programming decisions are based on the figures. They looked extensively at impacts of the mine over a period of time. All the numbers seem to split nicely along thirds; enrollment, capital improvement, et cetera. The four schools came together and came up with the strategy that benefits them all. Commissioner Notbohm stated that this fund was set up to go to just two school districts. Things have changed over time and they need to reevaluate. He would like to be up-front however, the County money needs to stay with the County.

Commissioner Weber says that there are three pots of money and they have time, per statutes, to distribute it. He suggested they put this decision off until next month.

Wally Hustad stated that Commissioner Notbohm says he wants to keep county money for County projects, however schools are part of the county. They want to spend money on economic development and give it to JLDC, but schools are essential to economic development. Commissioner Notbohm noted that the school funds and county funds are not the same, and it is up to the Commission to decide how to allocate the funds.

Commissioner Weber stated that the yearly distribution needs to be sent to a future agenda. He asked for clarification if the school districts are asking for \$540,000 from county funds be given to the schools in addition to their allocation. Bob Klein stated that this is correct. Commissioner Lythgoe noted that it is on the agenda to discuss and decide this the following week, but they may or may not make the decision.

Sabrina stated that the law requires the Commission to assess who has been impacted. The schools have come together and found that three schools have been impacted equally. Also, Boulder Elementary has not been included in the annual distributions, which would now amount to over \$200,000; if it had been held in trust it would have been over \$400,000.

Bonnie noted that the amount to be distributed will depend on at what point the Commission decides to distribute from. As of October 30th, the school's portion is \$891,385.75 and the County's is \$1,782,771.16. Commissioner Weber stated that he feels the distribution date should be as of when Tunnels officially closed. Commissioner Lythgoe stated that Bonnie would prefer an end-of-the-month date, as it is easier to figure interest. He also questioned if the dollar amounts would change significantly, as the mine closed back in April. Commissioner Weber stated that, per statute, that is when the trigger was hit and set the amount of money to be allocated to the schools. The money will start to build again, with the re-opening of the mine. He asked if percentages were discussed when the school boards met. Barbara Burkland stated that the figures presented are based on the \$1.42 million only. If the school distribution is going to be a different amount, they will have to go back to the drawing board.

Bob Sims asked if they don't have to put all the items the money can be allocated for on the table at once. Commissioner Lythgoe stated that the county portion of the money needs a lot more discussion. Wally stated that Bob had a good suggestion. The Commission can't make a decision yet because they don't know all the needs. He would like to second the request that citizens be allowed to participate. Commissioner Weber agreed that there needs to be more discussion on the distribution of the monies, but today's discussion is for the school portion of the money.

Michele LeTexier stated that the high school has been using their money, and do not have a reserve. Barbara Burkland stated that Clancy does have a reserve, but 40% of their tax base comes from the mine. They had to borrow money from the reserve to make payroll when the mine closed. They use the yearly allocation to deal with on-going impacts. The trust is to deal with the impact when the mine closes.

DISCUSS AND DECIDE ON ESTABLISHING MEMBER FOR A WORKING GROUP WITH THE CITY OF HELENA FOR A JOINT PLANNING BOARD

Commissioner Lythgoe stated that the Commissioners met with the City of Helena, and it was decided that each would discuss members for a working group to formulate a planning board. Dave Neilson, Helena City Attorney, stated that they have looked at how to coordinate this. There are two government entities, and they can, by inter-local agreement, form a joint planning board. The City Manager recommended that the staff from Helena be himself, Sharon Haugen the City Planner, and the City Attorney.

Commissioner Weber stated that he would recommend they enter into the working group, and he agrees with the breakdown: the County Attorney, the County Planner and one of the Commissioners. Wally Hustad stated that, as a landowner in the Prickly Pear Watershed and close to the line drawn, if he is outside of the line, he would like to be within the line. He is a mile from the Clancy interchange. As a citizen and property owner, he is watching carefully and would ask that citizens be able to interface. If the committee is to be made up of only officials, he would like to be on a sub-committee. Commissioner Weber stated that the decision before the Commission today is a working group who will discuss how the planning board might look. Public input, etc. would be part of the planning board process. Wally stated that he would also like private sector involvement in this part of the process; he would like to be included in the process. Harold stated that if they were to add a private sector group, they have the means to do so with members of the City or County planning boards. Wally stated that he is well aware that there are boards made up of citizens; the County needs to diversify and allow more people to be heard.

Commissioner Weber moved to appoint Commissioner Lythgoe, Harold Stepper and Matt Johnson to the working group. Commissioner Notbohm seconded. He stated that he appreciates Wally's concern with citizen input, but this is a six-member board. Commissioner Weber stated that the City of Helena has already set their three members and is waiting for us. If we decide to add more, they will need to go back and decide if they want to add more members. The motion carried.

OPPORTUNITY FOR PUBLIC COMMENT

~Bob Sims asked the status of the letter to residents outside of fire districts. Commissioner Lythgoe stated that he will try to get it completed by the end of January.

~Wally Hustad stated that he made the point for the need of diversification in the community and listening to other voices. He has met with Tara and she was very cooperative. With respect to what Tara said about the Golden Sunlight Industrial Park, it is his understanding that once Golden Sunlight Mine closes, they will have the ability to sell the land. He asked why the JLDC will be the one to hold the lease. The county is missing an opportunity by letting the JLDC hold the lease. There will be taxes on the improvements, and the county is missing an opportunity to retain ownership and get income from the sale or taxes. He has looked at the numbers and knows what they are. The JLDC is supposed to provide the Commission with quarterly financial reports, and he asked if the Commission has ever gotten one. Also, the JLDC had in their three-year plan to become self-sufficient. Commissioner Lythgoe stated that they do not receive quarterly reports, but the JLDC is audited yearly and the Commission reviews this. Wally asked if he asked the Commission to give figures as to how the money has been spent, would they be able to answer. Commissioner Lythgoe answered no.

Wally stated that before they give the JLDC any more money, they need to get the financial reports that are required of them. He isn't, however, saying that they haven't been effective. He would like to have a public hearing and have Bob Marks and Scott Mendenhall answer for what has been done. Commissioner Lythgoe stated that Wally is making this personal. He stated that he has sat on the board for some years, and he has never seen any board member receive any personal gain. Wally stated that if he can't get some reasonable feedback from the Commission, he will have to get some outside help. Celia Wolny suggested that Wally put this in writing and outline his requests; this will make it easier for the Commission to respond. Commissioner Notbohm stated that he has always had a problem with this, and he is going to ask in writing for quarterly reports. Wally stated that part of his frustration is that he can't get these figures. With respect to the EDA grant and CDBG, is the County able to apply without the JLDC, or are they needed to be eligible. Commissioner Notbohm stated that having the organization behind them definitely helps, and makes these things easier to obtain.

Commissioner Lythgoe stated that it was the choice of the Commission to have the JLDC as the way we do business. Commissioner Notbohm stated that other than the big projects, there are a lot of small projects that the JLDC works on. Wally stated that both Tom and Tara were definitely helpful, and he would encourage the Commission to keep them. He would just like to know where the money is spent.

Tara stated that she feels compelled to reply. She met with Wally the previous day, and left with a list of items he wanted to know. The JLDC is a private, non-profit organization, and some of the things they do doesn't make sense to the private sector. As for the taxes on the Golden Sunlight property, it is now classified as ag land and does not generate much in taxes. When it is developed, it will have much more of a tax base.

In regards to the quarterly financial report, a financial report is given at every JLDC meeting, the next which is to be held the following week. She will file these financial reports with the Clerk and Recorder from now on. Also, this is the first that she has heard of the three-year plan to become self-sufficient. She has offered to have Wally come to the office and open the books. Regarding board members, to her recollection, there are only two members that have been on the board since the beginning, and their history is very helpful.

As for EDA funds, the County can apply, but it is helpful to have a non-profit file, as they are eligible for additional funds that the County isn't. Tara stated that she is very open to answer questions, but she is very busy at this time, noting that she has four bosses.

~ Bonnie stated that it appears from past minutes that March 31 is when the mine closed. This would put the distribution amount at \$2,571,651.23, with \$857,217.07 going to the schools and \$1,714,434.16 going to the County.

~ Bob Sims stated he doesn't know exactly how to bring this to the Commission's attention, but the JLDC has a PR problem. The former mayor of Whitehall was at his house the previous week, and he had 20-25 items of contention with the JLDC, including the grant and loan programs. The JLDC needs to get information out to the public. Commissioner Lythgoe stated that the JLDC is not really involved with the loan and grant programs; these are handled by the metal mines committee. Commissioner Notbohm stated that Whitehall has seen a big advantage from the money.

~ Ernie Kenison stated that he has been coming to the Commission meetings, as well as other public meetings, to familiarize himself with the community. He is very appreciative of the Commission and the Chair that they are sensitive to allowing comments from the public. Fairness is very clearly being exercised here, and it is very refreshing. Being disabled, he has an opportunity not afforded to many in his age group; this is very interesting. Being a professional for most of his life, the Commission's professionalism is appreciated.

~ Celia stated that she wasn't aware that there was an option to buy the industrial park if the mine closes. Commissioner Weber stated that the discussion at the mine was - why would Joe Businessman put his business there when they know that they will be kicked out at the end of 30 years. There will be an option for them to buy, but he is not sure of the language. Commissioner Lythgoe stated that there have been lots of different discussions of options, but he is not sure where it ended.

Commissioner Weber moved to adjourn. Commissioner Lythgoe seconded.

MEETING ADJOURNED

ATTEST:

December 12, 2006 minutes.wpd

BONNIE RAMEY
CLERK AND RECORDER

TOMAS E. LYTHGOE, CHAIR

CHUCK NOTBOHM, COMMISSIONER

KEN WEBER, COMMISSIONER